

Market Size and Structure

Exchange rate use throughout this report: USD 1 = EUR 0.75.

It is difficult to assess the actual market size for Native American products, as few statistics are available. In comparison to the total German consumer goods market, the Native American products sector is very small. At present, the total Native American products market in Germany can be estimated at approximately USD 4.5 million (EUR 3.3 million). This constitutes a decrease of 65 percent compared to the mid-1980s when the market was estimated at little over USD 7.4 million (EUR 5.5 million). In 1985, there were approximately 600 retail stores in Germany selling Native American products. In 2005 this number has dropped to about 150 stores. During the same period, the number of wholesalers in this market has decreased from fifteen to three.

For 2005 through 2007, estimates for the Native American products market indicate a slight increase only of between 1 and 2 percent annually. It is expected that this increase in sales will be mainly generated through the sales of moccasins. Further stagnation in sales of jewelry and giftware products is expected.

-- **Footwear:** Best-selling Native American products are moccasins, especially brands such as Minnetonka and Sioux, with annual sales of USD 3 million (EUR 2.2 million). The generally positive market development in this segment is facilitated by current fashion trends as well as an ever-increasing consumer awareness of wellness and health-related products. A growing number of consumers who do not typically buy Native American products increasingly value moccasins as fashionable health shoes. For many retailers profits made in this particular segment helped to partly offset the overall losses in the Native American products market.

-- **Jewelry:** With annual sales of approximately USD 1.3 million (EUR 968,000), handcrafted jewelry constitutes the second largest share of the Native American market in Germany. Handcrafted jewelry means mostly silver, and to a lesser extent, gold. Overall, Navajo and Zuni jewelry are more popular than Hopi designs. Liquid silver items meet with considerable interest among German consumers; some items are elaborated by coral or lapis lazuli. Here sales prices range from USD 12 (EUR 9) for a single item, to as high as USD 400 (EUR 300) for more elaborate pieces. Sales are made primarily through retailers and to a minor extent, through wholesalers. Imitations and counterfeits constitute a major competitive challenge for Native American manufacturers in general, and jewelry companies in particular. Some jewelry marketed as such is not authentic Native American jewelry but instead increasingly manufactured in Mexico, East Asia or European countries such as Spain, Portugal, and Poland. Experts estimate that close to 80 percent of the jewelry currently sold in Native American stores in Germany are not authentic. The retail price of this mass-fabricated jewelry is usually one-third the price of an original handmade piece. Some jewelers provide certificates of authenticity for their genuine products, but they are unable to compete with the pricing of mass-fabricated items. Thus, even retailers who wish to maintain authentic standards are under pressure to offer lower quality items.

-- **Giftware:** Other Native American items under the giftware segment, such as artifacts, Kachina dolls, CDs, pottery, etc., play only a minor role in the sales assortment of Native American retail stores. Products in this category account for only

approximately USD 250,000 (EUR 186,000) of the overall annual market for Native American products in Germany.

The German Native American products market has a very specific structure. Even though genuine Native American crafts are without direct competition, the market is very limited. German retailers offering Native American items usually focus exclusively on this market segment, which requires particular knowledge and expertise. Main distribution channel types are those generally used in the giftware sector, such as wholesalers, online stores, or direct imports by retailers. Native American items are too special for German department stores. High-priced Native American art items, such as paintings and sculptures, may be marketed through art galleries. However, there are no art galleries in Germany that exclusively focus on Native American art. Manufacturers who are interested in marketing their items in a temporary exposition should approach the galleries with a professional portfolio, and should be prepared to invest in shipment and marketing. For Native American products, good quality at moderate pricing is essential.

Museum shops play a minor role in Germany and are not a suitable distribution channel for Native American products. Germany has no museum dedicated exclusively to Native American culture and history, and only few museums that have a sizable permanent Native American exposition. A notable exception is the Linden-Museum in Stuttgart, an ethnology museum that features, among other indigenous peoples, various North American tribes, such as Hupa, Crow, and Hopi. Native American manufacturers and artists interested in featuring their items in a museum might also contact the NONAM – Nordamerika Native Museum (North American Native Museum) in Zurich, Switzerland. NONAM is unique in Europe insofar as it provides a forum for both the traditional and contemporary aspects of the indigenous cultures of North America. The museum also offers support programs and guest exhibitions for contemporary Native American artists (Please see section “F” for NONAM’s contact information).

Generally speaking, demand for Native American products is driven by the taste of German consumers. During the 1970s and 1980s, Germany experienced a flourishing of Native American culture and history, which was one manifestation of a general movement towards ‘alternative’ lifestyles especially by the younger generation. This trend manifested itself not only through a demand for Native American products, but also through the foundation of many Native American and Western clubs throughout the country, as well as a large variety of thematic events and festivals. One of the most well known events is the Karl-May festival in Bad Segeberg, an annual event that re-enacts a German novelist’s popular American Native novels. However, as of the early 1990s other lifestyle trends gained importance and the interest in the Native American theme gradually diminished. Buying authentic Native American products became an activity for those Germans who were particularly well-informed and aware of Native American culture and history. Adding to this development is the fact that, as the consumer goods sector in general, the current market for Native American items is also negatively impacted by today’s economic situation in Germany, characterized by stagnation, high unemployment, and sluggish retail demand. The typical German consumer is cautious about expenditures and refrains from buying higher-priced items.

Market Access

Customs duties vary according to materials used and type of products; average customs duties can be between 3 and 15 percent. In addition, there is a 16 percent import turnover tax on each item imported, which is eventually passed on to the German consumer in form of the value-added tax (VAT).

Concerning international trade of protected materials, the Convention on International Trade of Endangered Species (CITES), Washington DC, has established a set of regulations. If products of certain animal or plant species – for example, bear claws, wolf hides, certain snakes or reptiles, various species of cactus, orchid, and aloe - are to be exported, exporters should ensure that their export complies with CITES. Items that are covered by CITES have to be accompanied by an export certificate stating that the U.S. authorities have approved the export. Products that may be covered by the “Endangered Species Act” require an export authorization if exported from the United States, and always require an import permit into the EU. An import permit is also required for samples that are not for sale. It can be of help to also list the Latin names on the invoice/shipping list, in case the animal is part of a group that includes both protected and non-protected species. Thus, U.S. Customs/German Customs can immediately assess whether the specific animal product is exempt from the export regulations or not. In Germany the “Bundesamt fuer Naturschutz” (Federal Agency for Nature Conservation) is responsible for the implementation of these standards into German legislation and is able to provide further information and support:

Bundesamt fuer Naturschutz
(Federal Agency for Nature Conservation)
Konstantinstrasse 110
D-53179 Bonn
Phone: 01149-228-8491-0
Fax: 01149-228-8491-200
Website: www.bfn.de

With regard to the shipment of goods, it is recommended to fax shipping documents to the handling agent in Germany prior to the arrival of the goods. It enables the agent to alert the supplier while the goods are still on their way. Thus, additional documentation can be sent quickly and procedures are sped up, sometimes substantially.

-- **EU Requirements and Guidelines for footwear**

The German footwear market is regulated by German and European Union directives, standards and safety regulations. Not all standards and regulations are mandatory, but compliance greatly enhances a product's marketability.

Advice on EU requirements and compliance certification in the case of a specific product should be sought from the following contact:

The Commercial Service
U.S. Mission to the European Union
40, Boulevard du Regent
1000 Brussels, Belgium
Phone: 01132-2-508-2222
Fax: 01132-2-513-1228
Email: csuseu@pophost.eunet.be

Website: www.useu.be

-- **Ban of AZO Color Dyes**

In 1996 Germany became the first European country to ban AZO dyes. AZO dyes have since been banned in all EU countries as a result of European directive EEC 76/769. These so-called AZO color dyes, which release amines, are prohibited because they are suspected to be carcinogenic. American manufacturers should be prepared to provide written guarantees from their material suppliers to certify that their products are free of AZO dyes. The following is a table of chemical compounds listed by international CAS numbers (American Chemical Abstract System), which are covered by the ban.

CAS #:	
92-67-1	4-aminodiphenyl
92-87-5	benzidine
95-69-2	4-chlorotoluidine
91-59-8	2-naphthylamine
97-56-3	0-aminoazotoluene
99-55-8	2-amino-4-nitrotoluene
106-47-8	p-chloroaniline
615-05-4	2,4-diaminoanisole
101-77-9	4,4'-diaminodiphenylmethane
01-94-1	3,3-dichlorobenzidine
119-90-4	3,3'-dimethoxybenzidine
119-93-7	3,3'-dimethylbenzidine
838-88-0	3,3'-dimethyl-4,4'-diaminodiphenylmethane
120-71-8	p-kresidine
101-14-4	4,4'-methylene-BIS-[2-chloraniline]
101-80-4	4,4'-oxydianiline
139-65-1	4,4'-thiodianiline
95-53-4	0-toluidine
95-80-7	2,4-toluylenediamine
137-17-7	2,4,5-trimethylaniline
60-09-3	P-aminoazobenzole[from January 2002]
90-04-0	2-methoxyaniline[from January 2002]
95-68-1	2,4-xylydine[from January 2002]
87-62-7	2,6-xylydine [from January 2002]

For further information regarding the ban of AZO dyes in Germany, please contact:

Bundesverband des Deutschen Textileinzelhandels E.V. (BTE)
(Federal Association of German Textile Retailers)
An Lyskirchen 14
50676 Koeln
Phone: 01149-221-921509-0
Fax: 01149-221-921509-10
Website: www.BTE.de

-- **The CE-Mark**

The CE-Mark stems from an EU guideline affecting the production and the design of every product imported into the EU. This mark is an EU-wide certification standard for a variety of products ranging from electronics to footwear. EU Directives state that all new products must have this mark in order to be freely traded on the European market. This mark, comprised of an 0.2 inch high "CE," appears on each product and its packaging and indicates that the product adheres to EU standards of consumer and health safety. The mark is not one of quality, but rather shows that the product adheres to all European guidelines governing its design and manufacture.

In order to obtain this mark, manufacturers outside the EU must prepare a technical file on the product, including declaration of conformity for each applicable directive. Customs personnel will then inspect the product. Upon approval, the CE-Mark may be placed on the imported product.

-- **Footwear Pictograms**

In addition to the CE-Mark, European footwear requires a specific set of pictograms used to graphically denote the largest constituent of the shoe. A previously defined pictogram is marked on the shoe respective to its make-up. This pictogram is designed as follows:

- a square hatch pattern for synthetic materials
- a piece of leather for leather
- a diamond inside a piece of leather for treated leather
- a diamond for miscellaneous materials

In order to apply this logo, the product must contain at least 80% of the appropriate material.

For more information regarding the CE-Mark or footwear pictograms, please contact the U.S. Mission to the EU or, in Germany:

Hauptzollamt Duesseldorf (Customs office Duesseldorf)
Am Stufstock 1-7
40231 Duesseldorf
Phone: 01149-211-2101-0
Fax: 01149-211-2101-222
Website: www.bund.de

Trade Publications

Advertising in a well-established trade publication can be an important vehicle for product promotion. The following German-language trade publications might be suitable for advertising.

For the giftware sector:

Stil & Markt
International trade magazine for giftware, housewares and lifestyle

Verlag Meisenbach GmbH
Franz-Ludwig-Strasse 7a
D-96047 Bamberg
Phone: 011-49-951-861-121
Fax: 011-49-951-861-158
Email: r.engl@meisenbach.de
Contact: Ms Rita Engl
Website: www.meisenbach.de

High-end trade journal. Includes extensive information on market trends, trade shows, industry news. Multi color ads; Upon request, publishing House Meisenbach sends sample magazines to interested clients abroad.

Frequency: monthly / Circulation: 9,000

For the jewelry sector:

(While these are suitable for advertising U.S. jewelry products, please note that the journals do not specifically target retailers of Native American jewelry.)

GZ Goldschmiede Zeitung
European Jeweler
Ruehle-Diepener-Verlag GmbH & Co. KG
Postfach 70 04 50
D-70574 Stuttgart
Phone: 01149-711-97667-0
Fax: 01149-711-97667-49
Email: info@gz-journal.de
Website: www.gz-journal.de

Please note that some of the articles are also available in English (on the internet – www.gz-online.com)

Frequency: monthly / Circulation 15,000

Uhren Juwelen Schmuck (UJS – Watches Precious Stones Jewelry)

A trade magazine for the watch and jewelry industry

Bielefelder Verlagsanstalt GmbH & Co KG Richard Kaselwosky

Ravensberger Strasse 10f

D-33602 Bielefeld

Phone: 01149-521-595-533

Fax: 01149-521-595-556

Website: www.uhrenjuwelenschmuck.de

Frequency: monthly / Circulation: 12,000

For the footwear market:

Schuhmarkt News
Verlagsgruppe Chmielorz
Marktplatz 13
65183 Wiesbaden
Phone: 01149-611-36098 0
Fax: 01149-611-301303
Website: www.schuhmarkt-news.de

Frequency : bi-monthly/Circulation: 8,000

Schuhmarkt Trends & Mode
Verlagsgruppe Chmielorz
Marktplatz 13
D-65183 Wiesbaden
Phone: 01149-611-36098 0
Fax: 01149-611-301303
Website: www.schumarkt-news.de
Frequency : monthly/Circulation: 8,000

Schuhkurier
Verlag Otto Sternefeld GmbH
Postfach 11 12 49
D-40512 Duesseldorf
Phone: 01149-211-577-08-0
Fax: 01149-211-577-08-12
Website: www.schuhkurier.de
Frequency: weekly/Circulation: 8,100

Step
Verlag Otto Sternefeld GmbH
Postfach 11 12 49
D-40512 Duesseldorf
Phone: 01149-211-577-08-0
Fax: 01149-211-577-08-12
Website: www.sternefeld.de
Frequency: weekly/Circulation: 11,500

Major Trade Shows

A well-planned exhibit at a major German trade fair is an excellent vehicle to promote U.S. products to a German and international trade audience.

-- Giftware & Consumer Goods Shows

Ambiente - International Fair for Consumer Goods
Location: Frankfurt/Main
Dates: February; annual
Website: www.ambiente.messefrankfurt.com

Ambiente features high-quality lifestyle products, exclusive giftware, jewelry, and household items, including table-top, decoration, lifestyle accessories, applied arts, crafts, giftware, jewelry, watches and clocks.

Tendence - International Frankfurt Autumn Fair
Location: Frankfurt/Main
Dates: August; annual
Website: www.tendence.messefrankfurt.com
Main product groups: similar to Ambiente.

Both events also offer jewelry items as part of their overall giftware product range. Each

of the above shows has a very international clientele with regard to exhibitors and visitors. Tendance and Ambiente each attract between 3,300 and 4,600 exhibitors and over 100,000 international visitors. Access is limited to trade and industry visitors. Exhibit space at Ambiente and Tendance is usually sold out well in advance.

Further information on Ambiente and Tendance trade events can also be obtained from the organizer in Germany or their office in the United States:

Messe Frankfurt GmbH
Postfach 150210
60062 Frankfurt/Main
Phone: 01149-69-7575-0
Fax: 01149-69-7575-6433
Website: www.messefrankfurt.com

Messe Frankfurt Inc.
1600 Parkwood Circle Ste. 515
GA-30339 Atlanta
Phone: 770-9848016
Fax: 770-9848023
Email: info@usa.messefrankfurt.com
Website: www.usa.messefrankfurt.com

-- **Jewelry Shows**

Inhorgenta - International Trade Fair for Watches, Clocks, Jewelry, Precious Stones, Pearls, Silverware and Manufacturing Equipment
Location: Munich
Dates: February; annual
Website: www.inhorgenta.de
Major jewelry trade fair in Germany; attracts over 1,200 exhibitors and more than 21,000 visitors each year. Trade visitors only.

Further information on Inhorgenta can be obtained from the organizer in Germany or their office in the United States:

Messe Muenchen GmbH
Messegelaende
81823 Muenchen
Phone: 011-49-89949-01
Fax: 011-49-89949-09
Email: inhorgenta@messe-muenchen.de
Website: www.messe-muenchen.de

German-American Chamber of Commerce Inc.
12 East 49th Street, 24th Floor
NY 10017 New York
Phone: 212-974-1880
Fax: 212-262-6519
Email: mosmers@munich-tradefairs.com
Website: www.gaccny.com

INTERGEM International Trade Fair for Gems and Jewelry

Location: Idar-Oberstein

Dates: September/October; annual

Website: www.intergem-messe.de

Trade show for minerals, gemstones and jewelry, with approximately 120 exhibitors

German organizer:

Intergem Messe GmbH

Mainzer Str. 34

D-55743 Idar-Oberstein

Phone: 01149-6781-41015

Fax: 01149-6781-42418

Email: office@intergem-messe.de

Website: www.intergem-messe.de

-- **Footwear Shows**

GDS International Shoe Fair

Location: Duesseldorf, Germany

Dates: March/September; bi-annual

Website: www.gds-shoe-fair.de

One of the leading international trade shows for the footwear industry, with about 1,500 exhibitors and 40,000 trade visitors.

German Organizer in the United States:

Messe Duesseldorf North America

150 North Michigan Ave., Suite 2920

Chicago, IL 60601

Phone: 312-7815180

Fax: 312-7815188

Email: info@mdna.com

Website: www.mdna.com

-- **Equestrian Shows**

The following two Western/Equestrian trade shows may also be worth attending for Native American manufacturers:

EQUITANA Equestrian Sports

Location: Essen, Germany

Dates: March; every two years

Website: www.equitana.de

International trade show for equestrian sport products and accessories as well as a wide variety of Western articles, with approximately 800 exhibitors and 220,000 visitors (includes non-trade visitors).

German Organizer:

Reed Exhibitions Deutschland GmbH

Voelklinger Strasse 4
D-40219 Duesseldorf
Phone: 01149-211-901910
Fax: 01149-211-90191123
Email: info@reedexpo.de
Website: www.reedexpo.de

Americana
Location: Augsburg, Germany
Dates: September; annually
Website: www.americana.afag.de
Local trade show for equestrian sports and western products.

German Organizer:
AFAG Messen und Ausstellungen GmbH
Messezentrum
D-86159 Augsburg
Contact: Mr. Harald Grosse
Phone: 01149-1805-860700-381
Fax: 01149-1805-860700-389
Email: projektleitung.americana@afag.de
Website: www.afag.de

Other Promotion Opportunities

FUSE – Featuring U.S. Exporters: U.S. manufacturers looking for sales leads or potential sales representatives in Germany can list their products and services on the German-language version of the U.S. Commercial Service website: www.buyusa.gov/germany, which targets an audience of German importers and commercial buyers.

NONAM – Nordamerika Native Museum
Seefeldstrasse 317
8008 Zuerich/Switzerland
Phone: 01141-43499-2440
Fax: 01141-43499-2449
Website: www3.stzh.ch (select „Zuerichkultur“, you will then find NONAM under „Institutionen“)

Additional information on the giftware sector is available from:

Sabine Winkels
American Consulate General
U.S. Commercial Service
Willi-Becker-Allee 10
40227 Dusseldorf
Phone: 01149-211-737 767 40
Fax: 01149- 211-737 767 67
Email: Sabine.Winkels@mail.doc.gov

Specific information on the jewelry sector is available from:

Uta Leuschner-Kirst
American Consulate General
U.S. Commercial Service
Willi-Becker-Allee 10
40227 Dusseldorf
Phone: 01149-211-737 767 80
Fax: 01149-211-737 767 67
Email: Uta.Kirst@mail.doc.gov

Specific information on the footwear sector is available from:

Birgit Hesse
American Consulate General
U.S. Commercial Service
Willi-Becker-Allee 10
40227 Dusseldorf
Phone: 01149-211-737 767 70
Fax: 01149-211-737 767 67
Email: Birgit.Hesse@mail.doc.gov